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L-304

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SUSPENSE

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Remarks

*INTERNAL
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Executive Secretary

7/23/84

Date



Pacific Northwest Laboratories
P.O. Box 999
Richland, Washington U.S.A. 99352
Telephone (509) 375-2201
Telex 15-2874

July 18, 1984

The Honorable William J. Casey
Director of Central Intelligence
Central Intelligence Agency
Washington, D.C. 20505

Executive Registry

64-2959

Dear Mr. Director:

Subject: HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

The purpose of this letter is (1) to bring to your attention an initiative in support of Executive Order 12320, the White House Initiative for Historically Black Colleges and Universities (HBCUs), (2) to request your support for start-up funding in establishing a foundation to serve the needs of the HBCUs, and (3) the establishment of simplified methods for submitting and funding research proposals submitted by the HBCU Foundation.

Battelle believes that Historically Black Colleges and Universities (HBCUs), if properly assisted, can progress more rapidly toward the goals set by Executive Order 12320. It is believed that the funding of research alone to HBCUs is not sufficient. Therefore, Battelle proposes to assist the HBCU community by establishing a Foundation to serve the many and varied needs of the HBCUs.

Battelle-Northwest is a nonprofit research and development institution engaged in research and educational activities for industry, state and Federal Government, and foreign sponsors. In FY 1983, Battelle-Northwest was involved in over 1,800 research projects worldwide covering the physical, life, and social sciences. Battelle-Northwest consists of a research and development staff of 2,700 and extensive laboratory equipment and facilities. Part of these include government facilities and equipment which Battelle manages under a prime contract with the U.S. Department of Energy. We have enclosed Battelle's Annual Report for 1983 for greater detail.

The Foundation we are proposing would promote goals important to the Executive Order and essential to the further growth and enhancement of research activities at HBCUs by (1) examining unintended regulatory barriers and propose appropriate action, (2) serving as a clearinghouse for agency announcements of programmatic opportunities of interest to the HBCUs, (3) stimulating participation on the part of private sector businesses and institutions, (4) carrying out research activities within the HBCUs, (5) providing collaborative peer support to the HBCUs when they submit proposals

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The Honorable William J. Casey
July 18, 1984
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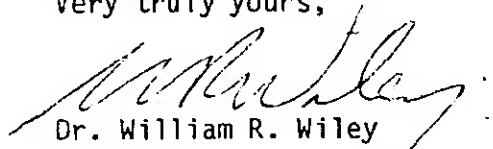
to the Federal Government and when they conduct research activities under government contracts resulting from those proposals, (6) developing expanded areas of research interests and capabilities, (7) developing and carrying out training to improve the HBCU infra-structure essential to the management and accountability of research activities, (8) expanding faculty/student work experience programs, and (9) identify, coordinate and become advocate for meeting research equipment needs of HBCUs. A workshop is scheduled for August 22nd and 23rd at Hampton Institute to explore in greater detail the areas mentioned above. Participants will include executives from the HBCUs, government and industry.

The enclosed concept paper is the result of personal discussions with numerous government executives responsible for this program, as well as various HBCU Presidents and staff. The concept was also discussed and reviewed by staff responsible for the White House Initiative. Because the concept received very favorable review and comment, we have been encouraged to submit the concept to your office for approval and acceptance for funding by the Central Intelligence Agency.

Battelle is attempting to organize the Foundation to be operational by September 1, 1984. This would: (1) coincide with the third anniversary of Executive Order 12320, and (2) coincide both with the start of the semester at Historically Black Colleges and Universities and with the start of fiscal year 1985.

Your review of our proposal outlined in the enclosed concept paper, and your early reply whether that proposal has merit for funding by the Central Intelligence Agency will be appreciated. Questions regarding the proposal can be addressed to Mr. John D. Hughes on (509) 375-2215 or Mr. Mendel Gragg on (509) 375-3966.

Very truly yours,



Dr. William R. Wiley
Director
Pacific Northwest Division
Battelle Memorial Institute

CONCEPT PAPER

HISTORICALLY BLACK COLLEGES AND
UNIVERSITIES FOUNDATION

A Response to Executive Order 12320

BACKGROUND

President Reagan signed into law Executive Order 12320 on September 15, 1981. The Executive Order mandates the establishment of "... a Federal program designed to achieve a significant increase in the participation of Historically Black Colleges and Universities (HBCUs) in Federally sponsored programs" President Reagan charged the Secretary of Education with the responsibility for developing and implementing this Federal program. Federal agencies have been urged to eliminate barriers, strengthen their program participation, exercise priorities, and promulgate information on Executive Order 12320 for HBCUs.

For the past two years, President Reagan has formally observed this proclamation and is expecting in late September 1984 to emphasize its importance.

INTRODUCTION

Battelle-Northwest operates the U. S. Department of Energy's (DOE) Pacific Northwest Laboratory at Richland, Washington, as a prime contractor. In addition to those facilities owned by the Federal Government (valued at \$100 million), Battelle has invested approximately \$45,000,000 of its own money in research facilities and equipment in the Northwest. One of Battelle's major laboratories is at Richland, Washington, with approximately 2,700 scientists, engineers, and support staff.

In addition, Battelle has a Marine Research Laboratory (MRL) located on the Olympic Peninsula at Sequim, Washington.

MRL conducts research and development related to man's impact on the marine ecosystem. Battelle's Seattle Research Center (BSRC) is located in Seattle, Washington, and conducts research and development related to major societal problems. These study centers include: 1) health and population, 2) science and government, and 3) social change.

Research departments at the Richland laboratory include Biology and Chemistry, Environmental Sciences, Energy Systems, Engineering Physics, Materials, Radiological Sciences, Geosciences Research and Engineering, Biotechnology and Chemical Technology which includes food and agriculture.

This paper proposes the creation of a Foundation that will help fulfill the purposes of Executive Order 12320. Specifically, the paper outlines a proposal for Battelle, the world's largest and oldest contract research organization, to set up a Foundation whose objective would be to enter into a collaborative arrangement with HBCUs for the express purpose of enhancing the capabilities of HBCUs to perform scientific research and development activities. In fulfilling this primary purpose, the Foundation efforts will also result in enhancing the position of minority scientists to participate to a larger degree in the mainstream of modern science.

There are several assumptions underlying the proposed Foundation. First, we assume that HBCUs can benefit by having scientists and students at HBCUs conducting meaningful research with modern equipment that is currently available at Battelle's laboratories. Second, we assume that the projects undertaken by the proposed Foundation are best accomplished by having collaborative arrangements, often on a scientist-to-scientist basis, between faculty and students at HBCUs and scientists at major research and development institutions. Collaboration of this type--scientists working together toward solutions of problems--is at the very heart of modern science.

Third, the proposal recognizes that many HBCUs may not have access to adequate scientific equipment and facilities. The proposal also recognizes the resulting negative effect this has on the ability of faculty at these institutions to keep abreast of advances in their fields of inquiry, to meaningfully participate in contributing to the advances in the given field, and to instruct students so that they, in turn, are at the state-of-the-art in their field. Finally, the proposal recognizes the relative underutilization and underrepresentation of minorities in science.

DESCRIPTION OF FOUNDATION

ADMINISTRATION AND STAFFING

The Foundation operations will have a minimal staff, comprised of senior officers along with support staff. The role of this staff is to implement the policies of the Trustees who give direction to the Foundation. The Trustees will be made up of individuals from the HBCUs, Battelle, Industry, and Government. The more involved staff functions (e.g., reviewing applications for internships) will be performed by ad hoc committees of Battelle and HBCU staff commissioned specifically for the given tasks at hand.

During the start-up phase of the Foundation, various support functions that are already operational within Battelle could be utilized. This would allow for a more orderly and cost-effective method to start operation. Attached is a brief organizational layout (see Figure 1).

AGENCY REVIEW

It is important that the administrative and technical staff of the Foundation work closely not only with the HBCUs, but also with the administrative and technical staff of the

various sponsoring agencies. This is important to assure that the research and development work is furthering the mission thrusts of the agencies themselves. Attached is a chart which illustrates this interaction (see Figure 2).

LOCATION

Most activities will be taking place at sponsoring agencies, HBCU campuses, and at the laboratories. Because at its inception it is proposed that Battelle be the major host for activities described later, the Foundation operations will be performed at facilities of Battelle-Northwest. This will enable the Foundation to take advantage of in-place facilities and equipment, support functions, and have ready access to all the Battelle capabilities in the Pacific Northwest. During Fiscal Year 1985, a permanent location will be selected and the Foundation would thereafter carry out its functions at a more appropriate site.

Although the Foundation will initially be headquartered at Battelle-Northwest, Battelle anticipates frequently utilizing its facilities in Washington, D.C.; Columbus, Ohio; and elsewhere in the nation whenever this serves the Foundation's objectives.

FUNDING

During the start-up phase covering approximately one year, an estimated \$1 million will be needed (see Figure 3). Thereafter, the Foundation will be sustained through proper accounting allocations based upon funded research programs. The overhead percent of cost will be reduced as the volume of support from sponsors is increased. Obviously, the larger the average funding per agency, and the greater the number of agencies participating, the broader will be the scopes of

various programs. Except for the overhead costs for Foundation operation and administration, all funds would go to HBCUs and for collaborative support. Attached is a five-year financial projection (see Figure 4) based upon agency support.

FOUNDATION ACTIVITIES

The principal activity emanating from the Foundation will involve research projects funded by participating agencies and conducted at HBCUs. The Foundation will use the modern facilities and equipment available at Battelle whenever such facilities and equipment would contribute to improved Foundation performance on a research project. Whenever practicable, a project will include a collaborative peer relationship between a Battelle staff scientist and the HBCU performing the research task. Additionally, this collaborative effort would be expanded to include other Government prime and lower tier subcontractors interacting with Battelle scientists and HBCU faculty and students.

Other activities the Foundation might foster are:

- Internship Projects. The Foundation would support internship projects for undergraduate and graduate students from HBCUs. At first, these internships will be at Battelle's facilities in the State of Washington. Eventually, it is anticipated they will be expanded to include other major industrial and research and development facilities in the Northwest, including other major universities.
- Faculty Fellowship Projects. The Foundation would encourage fellowship projects for faculty from HBCUs to engage in independent or collaborative research at Battelle facilities with Battelle scientists.

- Research Projects. The Foundation would develop meaningful research proposals for funding. These would be developed by the Foundation staff working with laboratory scientist and HBCU staff. The Foundation would assure that projects undertaken would involve a collaborative effort between HBCU faculty and Battelle (or other host institution) scientists.
- Host Conferences. The Foundation can host annual conferences on issues involving minorities and science.
- Develop Materials. The Foundation can conduct development of special short courses, seminars, or curricula for use in HBCUs. Examples might include a course on "grantsmanship" for HBCUs or preparation of "career day" materials that HBCUs can use to attract students.
- Exchange Programs. The Foundation can support the "reverse" of internship programs; i.e., it can support scientists from Battelle or other host institutions for the purpose of giving seminars or short courses at HBCUs.
- Clearinghouse. The Foundation can serve as a clearinghouse for sponsoring agency information about HBCUs, and more generally, about minorities and science.

FOUNDATION OPERATIONS

It is planned that a nonprofit Foundation would be established whose purpose will be to assist in fulfilling the expectations of Executive Order 12320, the White House initiative for Historically Black Colleges and Universities (HBCUs). The Foundation would work with the HBCUs in developing and carrying out scientific and educational activities. It is proposed that such activities be funded by Federal agencies and be consistent with the research needs of the agency and in support of its mission. It is anticipated that

after the Foundation becomes operational, other nonprofit Foundations and Industry will be solicited for program support. The objective of the Foundation will be that both Government and Industry become equal partners in providing support to HBCUs through the Foundation. It is anticipated that the Foundation will be operational by October 1, 1984, with a program estimated budget covering five (5) years. The establishment of the Foundation will serve the following major objectives:

- 1) Confirm Battelle's commitment to support the White House Initiative for Historically Black Colleges and Universities.
- 2) Provide an environment for Institutions to carry out research and development activities that are not presently available.
- 3) Establish private sector/Federal agency partnership serving the objective of Executive Order 12320.
- 4) Offer a common voice for expressing research and development interests and objectives of HBCUs.
- 5) Promote scientific activities within HBCUs.

It is planned that the Foundation will assist the HBCUs in developing proposals, with collaborative efforts provided by Government laboratories, industry, and others. These program proposals will be in support of agency missions and program plans.

In addition to research and development programs, the Foundation will also propose activities involving such things as scholarships, seminars, faculty exchange programs, visiting scientists, internship project, etc. All HBCUs involved in scientific activities will be members of the Foundation or encouraged to participate in the Foundation's activities.

Battelle would undertake the formation effort of the Foundation. As stated herein, Battelle, as a charitable trust organization whose only product is "service to mankind," is well suited for carrying out these activities. Battelle would commit itself to a five-year operating contract with the Foundation for its overall management to assure the success of these efforts.

Program proposals developed by the Foundation staff, with input from the appropriate HBCUs and laboratory scientific staff, would be prepared prior to the start of a fiscal year (October 1) and submitted to the Federal agencies. The Foundation would discuss with the different agencies the feasibility of negotiating a simplified format for funding. Authorized work would be undertaken by the Foundation under a master agreement between the agency and the Foundation.

In your review, please consider simplified forms of contracting.

BENEFITS

Numerous benefits accrue to all participating parties, as well as society at large. Many of the benefits are self-evident. For example, the HBCU recipient of an internship at Battelle's Pacific Northwest Laboratories obviously benefits from his or her exposure to modern equipment and interactions with new colleagues. This interaction can also serve as the basis for future collaboration. The HBCU itself benefits by having a student body with broader experiences and with training on modern equipment. Similarly, Battelle benefits when the intern provides fresh perspectives and approaches to the scientific problems under study. The sponsoring Federal agencies and society at large benefit by enhancing the scientific human resources of the nation. Finally, the fact that minority participation in science has increased also benefits all participating parties.

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Rather than delineate the benefits of each aspect of the program, such as we did for internships above, we will mention only broad classes of benefits in the rest of this brief paper. Most or all of the benefits for each of the possible programs, described hereafter, are self-evident.

BENEFITS TO HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

The HBCUs benefit by having a collaborative arrangement with Battelle, enabling access to scientists/equipment and possible laboratory space in their conduct of Federally sponsored research. Such an arrangement may take on varied and diverse forms. However, a common theme to all projects engaged in by the Foundation is the direct benefit to HBCU faculty and students in science and their association with practicing scientists. Whether these collaborations are in the form of internships, research projects, or development of specific seminars or curriculum materials, the HBCUs are the primary focus of benefits. To assure such a partnership, the HBCUs would be active in the affairs and the programmatic thrust of the Foundation.

BENEFITS TO PARTICIPATING FEDERAL AGENCIES

The participating agencies benefit in a number of ways, including the following: 1) the Foundation can serve as a focal point and outreach center for the agency's HBCU program; 2) the agency obtains Battelle's assistance in program planning, implementation, and reporting; 3) the agency participates in developing the scientific human potential and in enhancing the minority scientific resources in the country; 4) the agency participates in a program that is coordinated across agencies, thus improving efficiency of expenditures; and 5) the agency will be able to combine the end research results of the HBCUs and the Foundation efforts with its own mission.

BENEFITS TO BATTELLE

As the largest not-for-profit research organization of its kind in the free world, Battelle has an abiding interest in scientific research and education. The Pacific Northwest Division (PNWD) of Battelle Memorial Institute operates the Pacific Northwest Laboratory (PNL) under contract to DOE. Over the last few years, several independent observers have become increasingly concerned about the underutilization of facilities in national laboratories, including PNL, by universities and industry. Thus, the proposed Foundation benefits Battelle by: 1) assisting Battelle in greater use of Government facilities and equipment by the university community, 2) furthering Battelle's goals of "science for the benefit of mankind", 3) opening up new avenues of collaboration for Battelle scientists, and 4) helping develop a flow of well-trained minority scientists into research. As a major employer of scientists, Battelle benefits in the future.

BENEFITS TO SOCIETY

Our country's economy and defense rest, in large measure, on having a strong scientific base. Executive Order 12320 recognizes this and goes further by citing the need for HBCUs to participate to a greater degree in the research endeavors sponsored by Government agencies. The proposed Foundation will enhance in small part the nation's scientific base and enhance in larger measure the diversity of this base.

CONCLUSION

In order to proceed, the Foundation must receive the endorsement and funding support of Federal agencies. Battelle-Northwest has presented the concept for such a Foundation to Dr. Margaret Seagears, Executive Director, White House Initiative on Historically Black Colleges and

Universities. We have also presented the concept to Mr. Melvin Bradley, Special Assistant to the President, responsible for activities related to Executive Order 12320. The desire exists to have the Foundation operational by September 1984 in order to meet the need for Government and HBCUs in Fiscal Year 1985 and support the objectives of Executive Order 12320. The establishment of the Foundation prior to September 15, 1984, would also provide the opportunity for its recognition as part of the celebration date of Executive Order 12320.

Government executives with whom we discussed this concept indicated that the establishment of such a Foundation would be a significant step toward achieving the goals and objectives of Executive Order 12320. Its purpose is to advance the development of human potential and to strengthen the capacity of HBCUs to provide quality education and meaningful research resulting from Federally sponsored programs.

As a result of the overwhelming support Battelle has received in discussions with the HBCUs, Government officials, industry, and third parties, Battelle management has approved the concept outlined herein and is presently providing management support, along with funds, to more fully explore its feasibility.

All matters relating to this proposal should be referred to Mr. John D. Hughes (509/375-2215) or Mendel L. Gragg (509/375-3966).

We look forward to working with your staff.

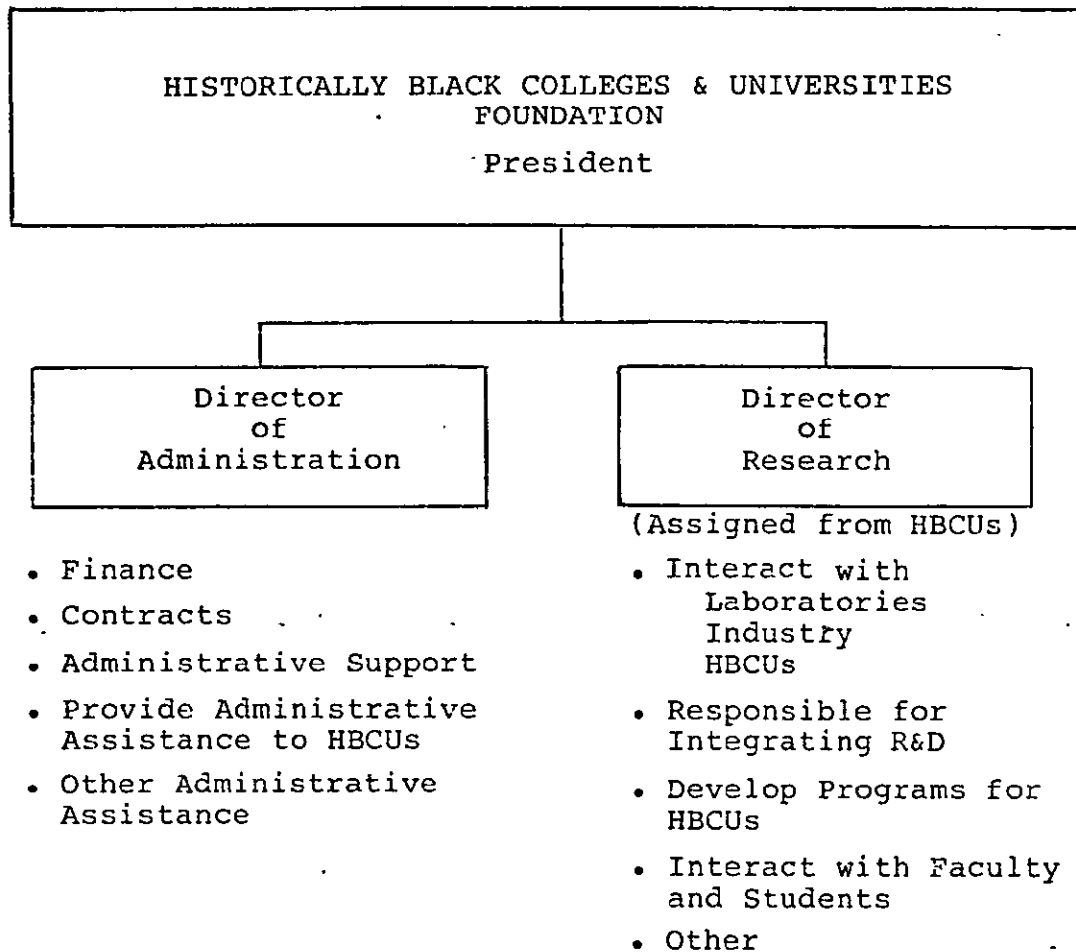


FIGURE 1. General Organizational Layout of the Proposed Foundation

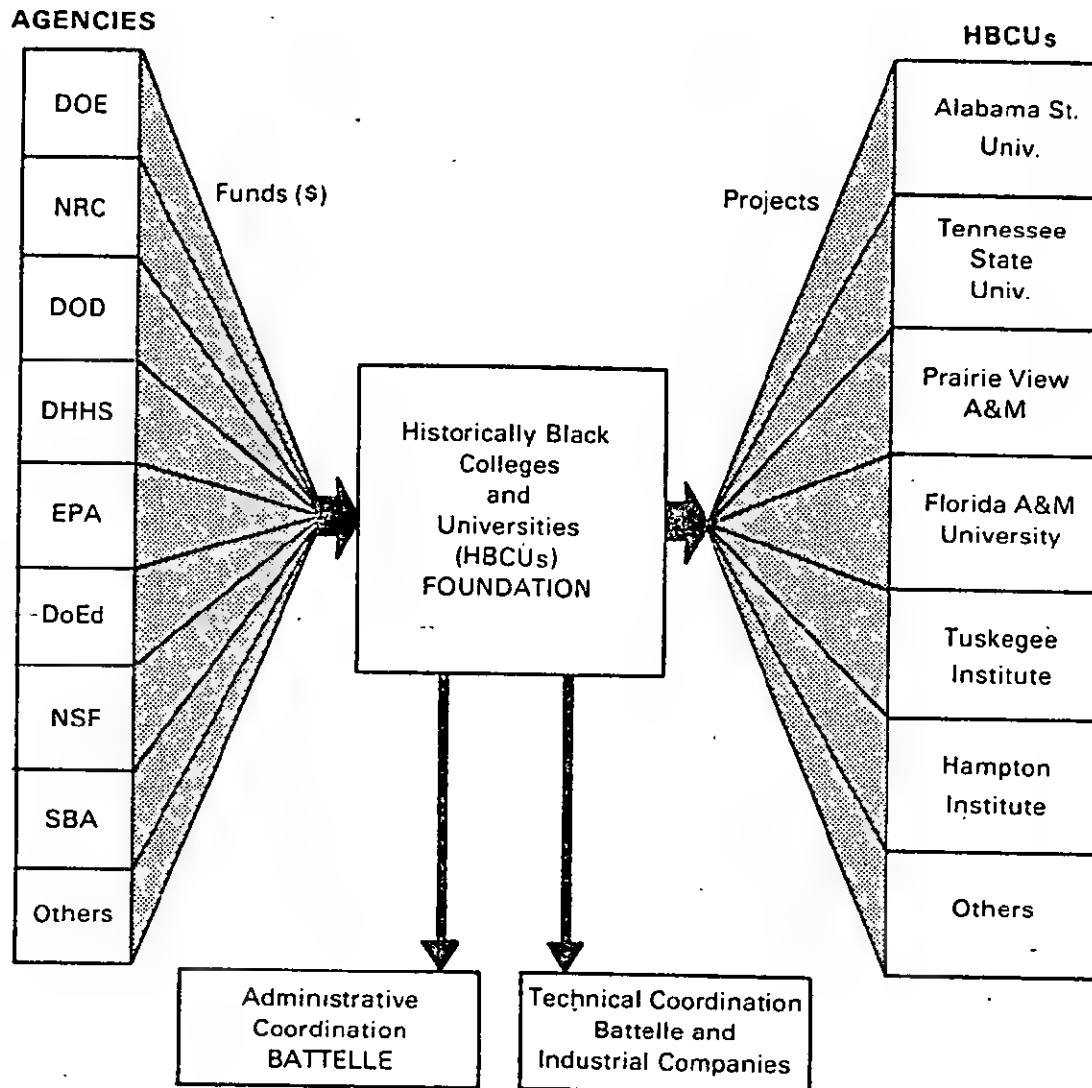


FIGURE 2. Intermediary Role of the Proposed Foundation and How It Would Further the Mission of the Federal Agencies

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES FOUNDATION

ESTIMATED START-UP COSTS

ESTABLISH ORGANIZATION

Legal Fee	\$ 50,000
Administrative Effort (5 Man-Months @ \$5,500)	28,000
Management (2 Man-Months @ \$7,500)	15,000
Travel	10,000
Other Cost	5,000
Subtotal	<u>108,000</u>

RELOCATE STAFF TO DURHAM, NORTH CAROLINA

6 Individuals (@ \$20,000)	<u>120,000</u>
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ESTABLISH ORGANIZATIONAL ADMINISTRATIVE PROCEDURES

Labor - Administrative (12 Man-Months @ \$5,500)	66,000
- Management (4 Man-Months @ \$7,500)	30,000
Subtotal	<u>96,000</u>

ASSESS/CATALOG BLACK COLLEGE CAPABILITIES

2 Man-Months Per College x 15 Colleges (@ \$8,000/Man-Month)	240,000
Travel (30 Trips @ \$1,500 Per Trip)	45,000
Other Cost	30,000
Subtotal	<u>315,000</u>

COORDINATION WITH VARIOUS FEDERAL AGENCIES

15 Man-Months @ \$7,000 Per Man-Month	105,000
Travel (16 Trips @ \$1,500 Per Trip)	24,000
Other Cost	20,000
Subtotal	<u>149,000</u>

ASSIST HBCUs IN DEVELOPING PROGRAMS AND CONTRACTING PROCEDURES

30 Man-Months @ \$5,500	165,000
Travel (16 Trips @ \$1,500 Per Trip)	24,000
Other Cost	23,000
Subtotal	<u>212,000</u>

Total	<u>\$1,000,000</u>
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FIGURE 3

FOUNDATION PROJECTED OPERATING STATEMENT

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	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Volume	\$ 15,000,000	\$ 50,000,000	\$100,000,000	\$125,000,000	\$125,000,000
Labor Cost (Including Fringes)					
Contract Specialist	\$ 100,000	\$ 106,000	\$ 146,068	\$ 190,563	\$ 201,912
Financial Specialist	50,000	53,000	89,888	131,012	138,812
Senior Staff	137,500	145,750	231,743	245,647	260,312
Technical Staff	312,500	530,000	702,250	1,116,579	1,183,512
Clerical	47,500	100,700	160,113	169,720	179,912
	647,500	935,450	1,330,062	1,853,521	1,964,712
Travel Expenses					
Seattle to Black Colleges	31,200	66,144	140,225	148,639	157,512
Seattle to Washington, D.C.	36,000	76,320	161,798	171,506	181,712
	67,200	142,464	302,023	320,145	339,224
Indirect Costs					
Buildings and Utilities	71,225	102,900	146,307	203,887	216,112
Personnel Related Costs	25,900	37,416	53,203	74,141	78,512
Accounting and Procurement	67,016	96,819	137,661	191,839	203,312
Legal	15,000	21,671	30,812	42,939	45,512
Corporate G&A	15,540	22,451	31,921	44,484	47,112
Insurance	5,000	7,224	10,271	14,313	15,112
Duplicating, Graphics, Photography - BNW/BSRC	5,000	7,224	10,271	14,313	15,112
Word Processing	30,000	43,341	61,624	85,877	91,030
Computing - BSRC	5,000	7,224	10,271	14,313	15,172
	239,681	346,270	492,341	686,106	727,273
TOTAL OPERATING COST	954,381	1,424,184	2,124,426	2,859,772	3,031,358
TECHNICAL OVERVIEW (BNW and (1) Others, Including Travel)	1,350,000	4,500,000	9,000,000	11,250,000	11,250,000
TOTAL	\$ 2,304,381	\$ 5,924,184	\$ 11,124,426	\$ 14,109,772	\$ 14,281,358

(1) Technical overview involves buying services from the Battelle Memorial Institute Laboratories.

FIGURE 4

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FOUNDATION STAFFING LEVELS

Labor Category	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Contract Specialist	2	2	3	4	4
Financial Specialist	1	1	2	3	3
Senior Staff	2	2	3	3	3
Technical Staff	5	8	10	15	15
Clerical	<u>2</u>	<u>4</u>	<u>6</u>	<u>6</u>	<u>6</u>
TOTAL	<u>12</u>	<u>17</u>	<u>24</u>	<u>31</u>	<u>31</u>

FIGURE 5

FOUNDATION ASSUMPTIONS

1. Buildings and Utilities are projected at 11 percent of labor, including fringes.
2. Personnel Related Cost is projected at 4 percent of labor, including fringes.
3. Accounting and Procurement are projected at 9 percent of labor (including fringes), B&U, and PRC.
4. Corporate General and Administrative Expense (G&A) is projected at 3 percent of labor, excluding fringes.
5. Insurance, Duplicating, and Computing are projected at 0.77 percent of labor, including fringes.
6. Legal is projected at 2.32 percent of labor, including fringes.
7. Word Processing is projected at 4.63 percent of labor, including fringes.
8. Travel, Year 1, 24 man-trips to Black Colleges @ \$1,300.
9. Travel, Year 1, 24 man-trips to Washington, D.C. @ \$1,500.
10. Double number of trips in Year 2, and again in Year 3.
11. Labor and Travel costs are escalated at 6 percent per year.
12. Technical Overview is projected at 9 percent of volume.

FIGURE 6

**BATTELLE
MEMORIAL
INSTITUTE
1983
ANNUAL
REPORT**

